

Message Text

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PAGE 01 CARACA 00708 202148Z

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ACTION ARA-10

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SUBJECT: PETROLEUM NATIONALIZATION - GONZALO BARRIOS
WAFFLES ON HIS EARLIER REMARKS CONCERNING USG VIEWS ON
COMPENSATION

REF: CARACAS 0652

1. PRESIDENT OF CONGRESS AND OF THE AD PARTY GONZALO BARRIOS CUT SHORT HIS TRIP TO EUROPE AND RETURNED TO VENEZUELA JANUARY 19. AT THE AIRPORT, WHERE HE WAS MET BY THE FOREIGN AND INTERIOR MINISTERS AND OTHER LEADING AD POLITICIANS, BARRIOS SAID THAT THE WHOLE WORLD IS IN POLITICAL AND SOCIAL CRISIS, NOT JUST VENEZUELA, BUT THAT HE BELIEVES THAT EVERYTHING WILL TURN OUT WELL.

2. RESPECTING THE NATIONALIZATION OF PETROLEUM, BARRIOS STATED "IT IS TRUE THAT DESPITE OUR ATTITUDE HAVING BEEN VERY CORRECT AND TAKING INTO ACCOUNT INTERNATIONAL CIRCUMSTANCES, NEVERTHELESS FOR VERY CONSERVATIVE CAPITALIST CIRCLES, ESPECIALLY IN THE UNITED STATES THIS (I.E., NATIONALIZATION) HAS BEEN A
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PAGE 02 CARACA 00708 202148Z

SPOILIATION.... AND A VERY EXAGGERATED ADVANTAGE FOR THE

POWER OF THE VENEZUELAN STATE. WHAT I REALLY
MEAN TO SAY IS THAT WHAT THE PAYMENT TO ACQUIRE
OUR PETROLEUM HAS COST US ECONOMICALLY OR FINANCIALLY IS CON-
SIDERED VERY EXAGGERATED IN THE CIRCLES WHERE HABITUALLY ARE
MADE THE GREAT CALCULATIONS IN WORLD FINANCE."

3. COMMENT. BARRIOS' LAST SENTENCE IS CONFUSING, BUT IS APPAREN-
TLY INTENDED TO CONVEY THE IDEA THAT RAHER THAN PAYING TOO LITTLE
FOR THE NATIONALIZED OIL COMPANY (AS, HE SAID, IS FELT IN THE
US), VENEZUELA REALLY PAID TOO MUCH. IN ADDITION THE EMPHASIS
ON "CONSERVATIVE CAPITALIST CIRCLES" FUDGES THE ISSUE OF THE USG
POSITION--PRESUMABLY WITH DUE DELIBERATION. INTERESTINGLY
ENOUGH, THE ASPECT OF BARRIOS' REMARKS THAT RECEIVED MOST AT-
TENTION HERE WAS HIS REFERENCE TO POST-NATIONALIZATION
VENEZUELA AS BEING IN A "MESS." IN HIS CLARIFICATIONS BARRIOS
CONCENTRATED ON EXPLAINING THAT WHAT HE HAD REALLY MEANT
IS THAT THE ENTIRE WORLD IS IN A MESS, NOT VENEZUELA ALONE.
SHLAUDEMAM

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